

Measures under way to balance the budget in DSHS Children's Administration and implement a new financial management system

The Department of Social and Health Services (DSHS) has implemented immediate measures to erase a projected \$12 million over-expenditure in its Children Administration, while putting into place a sound financial management regimen for children's services.

The DSHS Chief Financial Officer has been given responsibility for prior approval of expenditures in the Children's Administration while the new financial management system is put into place.

Robin Arnold-Williams, who took office as DSHS Secretary on March 15, 2005 said: "From this point forward, we will use a debit card and not a credit card. This will require discipline from our child welfare managers, social workers and community providers."

She added, "This is the last time I will go to the Governor with this kind of problem."

Gov. Christine Gregoire has requested \$4.8 million in the state supplemental budget for the fiscal year ending June 30, 2005, to reduce the need for major cuts in services to children. The House and Senate each will present supplemental budgets to address contingencies in state agencies for the expiring fiscal year. When their differences are reconciled, a single budget will go to the Governor for her final approval.

"Without the \$4.8 million supplemental appropriation, DSHS would have to make deep cuts in services for children and their families in the three months remaining in this fiscal year," Arnold-Williams said. "If agreed to by the two legislative bodies, this appropriation will allow us to close the gap in our Children's Administration budget with the other key steps that we have taken."

These are highlights of DSHS steps to balance the children's services budget by June 30, 2005:

- **Administrative reductions will reduce the gap by \$1 million.** The savings will be realized through reduced transportation costs, deferred equipment purchases, a hiring freeze that leaves vacancies unfilled, and reduced goods and services purchases. Some staff from headquarters will be deployed to provide direct services in the field.
- **\$2.2 million will be saved through reducing purchased services and contracts,** including adjustments in services provided to families in their own homes. These budget reductions were made with child safety as the highest priority.
- **DSHS will qualify to receive \$4 million in federal reimbursements** for services that have been provided to children and their families by the state. These are valid charges that Washington, like other states, is eligible to receive reimbursement for.

These measures, combined with the \$4.8 million supplemental budget request, total \$12 million.

How DSHS will close the \$12 million gap without jeopardizing child safety

Uma Ahluwalia, head of the DSHS Children's Administration, said: "We are prioritizing our activities to meet Gov. Gregoire's priority of seeing abused and neglected children sooner and more often. Our top priority is for children to receive a visit within 24 hours of a report of a serious risk to safety - and a return visit within 30 days."

DSHS Secretary Arnold-Williams said: "At the same time, DSHS must be financially accountable. I will be making changes to raise the bar on financial management at headquarters and in field operations. This is a DSHS problem, and we will fix it."

In addition to implementing a sound financial management system in children's services, she said, "We will make it a top priority to create a much more sophisticated approach for projecting and allocating foster care and adoption caseloads. Every child in foster care is different and comes into care with a variety of differing needs and services.

"Children will be safer, and families will be better served, when we more accurately project - and manage - the costs of the child welfare services that we must provide. This is something we must, and will, accomplish in the next year to 18 months."

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– Robin Arnold-Williams